Athelney
TRUST PLC

# Half Yearly Financial Statements

## for the six months ended 30 June 2011

# Athelney Trust plc

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# Athelney Trust plc

## HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011
## CHAIRMAN’S STATEMENT AND BUSINESS REVIEW

I enclose the unaudited results for the six months to 30 June 2011. The salient points are as follows:

- Unaudited Net Asset Value (NAV) is 144.7p per share (31 December 2010: 142p, 30 June 2010: 119.9p), an increase of 1.9 per cent for the half year and an increase of 20.7 per cent over the past year.
- Gross Revenue dropped by 2 per cent to £71,695 compared with the half year ended 30 June 2010 of £73,199 (full year to 31 December 2010 £142,303).
- On a like-for-like basis gross revenue rose by 18.2 per cent to £71,695 compared with the half year ended 30 June 2010 of £60,611.
- Revenue return per ordinary share was 2.8p, down 6.7 per cent from the previous half year to 30 June 2010 (31 December 2010: 5.7p, 30 June 2010: 3p).
- A final dividend of 4.9p was paid in April 2011 (2010: interim dividend 4.75p).

**Review of 1 January 2011 to 30 June 2011**

*I have learnt from my mistakes and feel sure that, with practice, I can repeat them.* – Sir Arthur Streeb-Greebling (a creation of satirist Peter Cook).

Another half-year passes, this time without making any discernable dent in my forecast of a 10 per cent rise in equity markets for the year. In fact, London actually fell by 0.7 per cent over the six months, compared with 4.2 per cent in Tokyo and 2.8 per cent in Shanghai, although New York, despite all the problems in pushing through a Budget, actually rose by 4 per cent. Elsewhere, Venezuela (incomprehensible, this) Hungary and Germany did well with rises of 23 per cent, 6.4 per cent and 5.5 per cent respectively. Laggards turned out to be Egypt (North African Spring, etc.), Greece (more, much more, of this later) and Brazil (an overheating economy) fell by 25.4 per cent, 10.5 per cent and 10.1 per cent respectively.

Not all of this is easily explained: true, the period could be described as lacklustre for equity investors and up-and-down for fixed income. Blue chips were up a bit in the U.S., mostly down in Europe and weak in emerging markets. However, there were some oddities, for instance basket cases Venezuela, Hungary and Iceland did well in comparison with healthier places like Switzerland, Canada and Australia. Oil-producing countries did not benefit from soaring oil prices. Smaller companies, counter to many forecasts, did better than blue chips. Healthcare, utilities, gaming and tobacco did best in America, and it certainly paid not to be too clever, so leaving low quality banks, car manufacturers, gold miners and airlines alone. Europe was much more mixed but Tokyo Electric Power down 84 per cent and Taiheiyo Cement up by 55 per cent says everything that you need to know about tsunami-struck Japan. But of all the problems which have beset international markets this year, the one that simply refuses to go away is Greece.

A past Greek finance minister, fed up with waste and extravagance in his country, claimed that he could save money by closing down the national railway and driving everyone about in taxis. Of course no-one believed him, yet in 2009 revenues were €174m: meanwhile, wages cost €246m and the loss for the year was €937m. Greece’s austerity plan looks doomed to fail – it does too little to prevent the folly of the railway system and other ruinous schemes, it will screw down too hard on ordinary hard-working Greeks in the private sector with new taxes, spending cuts and a rushed privatisation scheme and most likely condemn Greece to recession, strife and an eventual default.

A much better idea would be to make the economy work more efficiently by defeating the public-sector unions, important allies for the politicians. It would mean ending the system of patronage on which politicians thrive: whether one is after a government job, a licence or a favourable tax assessment, politicians are essential allies. Indeed, it is the politicians who believe that, as long as they pretend to fix the economy, the EU will hand over the money whether the plan works or not. After all, who wants to pull the plug on Greece if that risks contagion across the euro zone? Every quarter, before the EU and the IMF release the next block of money, they must decide whether Greece is on track. Every quarter, it will become clearer that the answer is, ‘No.’

So what is to be done, not just about Greece but also Portugal and Ireland? Muddling through might be all right but it would be much better to have a genuine strategy of debt reduction for insolvent countries, recapitalization of banks that would suffer from that reconstruction and the building of a firewall between the solvent and the rest. Debt reduction must begin with Greece, the country which is most obviously bust. The task of building a firewall around the solvent core has to be shared between the countries at risk and the euro zone as a whole. Trouble is, Germany and others are opposed to any solution that could imply open-handed transfers to feckless southerners, not least because guaranteeing others may raise their own borrowing costs.

For the moment, the U.K. seems to be in a sea of calm although there are obvious concerns about inflation and the weak growth in the economy. As for the former, June CPI inflation is running at 4.2 per cent: the decline from 4.5 per cent reflects attempts by retailers to trim prices and tempt consumers into spending a little more. So strenuous are their efforts that the real inflation rate may be lower than the official one. How so? Retailers increasingly use promotions – discounts on specially displayed goods – to lure customers. Promotions accounted for 34.8 per cent of grocery sales in the year to March, with the figure for supermarket chains accounting for 43.5 per cent of their branded grocery sales. Such gimmicks often take the form of BOGOF (buy one and get one free) which creates a dilemma for statisticians. BOGOF goods cannot be treated as half-price since shoppers who want only one item still pay full price. So while tough trading conditions remain, then official inflation figures will continue to overstate the cost of a trip to the supermarket.

Now is not the right time to raise interest rates. The U.K.'s economic performance over the past year is no surprise – when one tightens fiscal policy significantly after a major financial crisis, the result is no growth in bank lending, high interest rates for small businesses, flat or falling private consumption and retail sales, a lack of construction orders and declining real wages, only partly offset by some expansion in exports. Recent consumer price inflation results from this year's VAT increase and the recent energy price shock – removing these factors, U.K. inflation has averaged only 1.5 per cent over the past year. The majority of the Monetary Policy Committee is quite right to have held its nerve against calls for rate hikes. The squeeze on public spending and households paying down debt will continue and wages will grow more slowly than productivity. Headline CPI will decline towards the 2 per cent target, where core inflation already is: in fact, the MPC should go further and pursue more QE.

So William and Kate are married and sales of memorabilia are doing a brisk trade. Two billion viewers and three times as many broadcast trucks as at any other royal event illustrates that the British royal family retains a global fascination. That makes the House of Windsor a brand which should rank in the same league as iPad yet, while Apple makes millions from its elegant products, the U.K. has trouble monetising its best-known brand, beyond the bobble-headed dolls, replica engagement rings and the like. Surely there must be tasteful money to be made from such opportunities. Any ideas?

Just as a broken clock is right twice a day, sooner or later those who have been calling the bottom of U.S. housing market since 2007 will be correct. For the time being, though, those who are optimistic are subdued. Even if the price declines are heading towards uncharted territory (only the Great Depression was worse), the effect of the steady erosion of consumer confidence and bank balance sheets is well understood. Less clear is what the rising number of underwater homeowners – those with negative equity (an amazing 28 per cent of the total) – will do to the economy. For comparison, in the U.K. during the mid-1990s, a period often remembered as the slump of all slumps, 11 per cent of mortgages were in negative equity. American house owners in this situation may be tempted to collect 'squatter's rent' by living in their homes for months or years without paying either interest or principal on their mortgages. This form of 'saving', which runs into tens of billions of dollars already, has helped to hold up consumer spending. But the whittling down of home equity will harm consumer spending more than it helps in the long run by wiping out a key source of household wealth and collateral for future borrowing. The view from beneath the waves is lovely until the oxygen runs out.

# Athelney Trust plc
## HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011
## CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

No problem with falling property prices in China, where rising interest rates aim to restrain inflation – so far with little success. In the past year, pork prices in China have rocketed by 57 per cent: the Chinese are among the world's top pork consumers, tucking away some 37 kg per person per year. That appetite, which has grown hugely in recent years as Chinese have grown more prosperous, means that pork prices figure prominently in calculating monthly consumer price inflation. In June, pork prices were the single biggest driver of food inflation, which hit 14.1 per cent and contributed 1.4 per cent to headline inflation of 6.4 per cent. Too high!

Finally, under this sub-heading, I am indebted to *Private Eye* for the following quotation from Rupert Murdoch, interviewed by Thomas Kiernan in *Citizen Murdoch,* Dodd Mead, New York, 1986. *You tell these bl**dy politicians whatever they want to hear, and once the deal is done you don't worry about it. They're not going to chase after you later if they suddenly decide what you said wasn't what they wanted to hear. Otherwise they're made to look bad, and they can't abide that. So they just stick their heads up their a**es and wait for the blow to pass.* Is this the same Rupert Murdoch who was battling until recently to take full control of British Sky Broadcasting? Yes it is!

**Results**

Gross revenue remained constant at £71,695 compared to the same period last year of £73,199. However the same period last year included a special dividend of £12,588 from GVC Holdings, if that is excluded altogether then, on a like-for-like basis Gross Revenue increased by 18.2 percent.

| | **Number** |
|---|---|
| Companies paying dividends | 64 |
| Companies purchased (therefore no true comparison) | 2 |
| Increased total dividends in the half year | 24 |
| Reduced total dividends in the half year | 16 |
| No change in dividend | 6 |
| Dividends accrued | 16 |

### Portfolio Review

Holdings of *Begbies Traynor, Bruline Group, Hansard Global plc, KCom, Smiths News* and *UK Mail* were all purchased for the first time. Additional holdings of *Haynes Publishing, Jarvis Securities, Matchtech, McKay Securities* and *Phoenix IT* were also acquired. *ATH Resources, Fenner, HMV* and *Omega Insurance* were sold and the following holdings were top sliced *Braemar Shipping Services, Camellia, Chime Communications, Clarkson, Park Group, RWS Holdings, Treatt, Umeco* and *XP Power Limited.*

# Athelney Trust plc
## HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011
## CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

### Dividend

As is the Board's practice, consideration of a dividend will be left until the final results are known.

### Update

The unaudited NAV at 31 July 2011 was 143.3p whereas the quoted share price on the same day stood at 135p. Further updates can be found on www.athelneytrust.co.uk

### Risks

The Company's assets consist mainly of listed securities and its principal risks are therefore market-related. The Company is also exposed to currency risk in respect of a small number of investments held in overseas markets.

The major risks associated with the Company are market and liquidity risk. The Company has established a framework for managing these risks. The directors have guidelines for the management of investments and financial instruments.

**Market Risk**

Market risk arises from changes in interest rates, valuations awarded to equities, movements in prices and the liquidity of financial instruments.

**Liquidity Risk**

Liquidity Risk is the risk that the Company may have difficulty in meeting obligations associated with financial liabilities. The Company has no borrowings; therefore there is no exposure to interest rate changes.
The company is able to reposition its investment portfolio when required so as to accommodate liquidity needs.

### Outlook

**Turning to prospects for markets, the recent drop in oil prices should ease inflationary pressures and slow the trend towards higher interest rates in Europe and elsewhere and could revive consumer confidence and spending. Motor production and sales should rebound as the availability of Japanese cars increases following the supply disruptions caused by Japan's earthquake. Company profits should continue to grow nicely. Investors are likely to remain on the defensive this summer until these factors become more visible - and so onto an improving third quarter!**

H.B. Deschampsneufs

# Athelney Trust plc

## RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT

We confirm to the best of our knowledge:

1. The condensed set of Financial Statements has been prepared in accordance with the UK Accounting Standards Board's statement "Half-Yearly Financial Reports."
2. The Chairman's Statement includes a fair review of the information required by Disclosure and Transparency Rules 4.2.7R (indication of important events during the first six months and their impact on the Financial Statements and a description of principal risks and uncertainties for the remaining six months of the year).
3. The Half-Yearly Financial Report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board dated 3 August 2011

H.B. Deschampsneufs
**Director and Non-executive Chairman**

# Athelney Trust plc

## INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2011

| | Stock | Holding | Value (£) | SECTOR £ | % |
|---|---|---|---|---|---|
| **Aerospace and defence** | Umeco | 10,000 | 37,400 | **37,400** | **1.32%** |
| **Chemicals** | Treatt | 9,000 | 37,800 | **37,800** | **1.33%** |
| **Construction and materials** | Alumasc | 42,000 | 70,140 | | |
| | Clarke (T) | 26,700 | 22,428 | | |
| | Renew Holdings | 70,000 | 49,700 | **142,268** | **5.02%** |
| **Electronic and electrical equipment** | XP Power Ltd | 4,000 | 62,960 | **62,960** | **2.22%** |
| **Food and beverages** | Wynnstay Group | 20,000 | 71,400 | **71,400** | **2.52%** |
| **General financial** | Albemarle & Bond | 15,000 | 54,900 | | |
| | Arbuthnot Banking Group | 10,000 | 36,500 | | |
| | Camellia | 600 | 60,252 | | |
| | Charles Taylor Consulting | 25,000 | 37,500 | | |
| | Jarvis Securities | 32,500 | 56,875 | | |
| | Park Group | 175,000 | 80,500 | | |
| | Randall & Quilter | 29,042 | 36,012 | | |
| | RSM Tenon | 62,000 | 15,190 | | |
| | S & U | 8,000 | 48,000 | **425,729** | **15.01%** |
| **Healthcare equipment and services** | Consort Medical | 8,000 | 41,200 | | |
| | Tristel | 75,000 | 34,500 | **75,700** | **2.67%** |
| **Industrial engineering** | Goodwin | 3,000 | 41,850 | | |
| | Hill & Smith | 20,000 | 69,550 | | |
| | Slingsby (H.C) | 4,000 | 26,800 | | |
| | Vitec | 13,000 | 78,650 | **216,850** | **7.65%** |
| **Industrial transportation** | ACM Shipping | 16,000 | 32,800 | | |
| | Braemar Shipping Services | 9,000 | 41,175 | | |
| | Clarkson | 2,500 | 31,125 | | |
| | Fisher (James) | 5,500 | 30,333 | | |
| | UK Mail | 18,000 | 50,670 | | |
| | Wincanton | 14,000 | 16,450 | **202,553** | **7.15%** |
| **Insurance** | Chaucer Holdings | 65,000 | 34,450 | | |
| | Chesnara | 16,000 | 37,400 | | |
| | Hansard Global | 17,500 | 29,050 | | |
| | Hardy Underwriting Bermuda | 15,000 | 41,025 | | |
| | Personal Group Holdings | 17,500 | 48,650 | **190,575** | **6.72%** |
| **Media** | Chime Communications | 12,000 | 33,240 | | |
| | Haynes Publishing Group | 18,000 | 45,000 | | |
| | Huntsworth | 55,000 | 40,150 | | |
| | M&C Saatchi Plc | 45,000 | 59,400 | | |
| | Quarto Group Inc Com | 40,500 | 54,675 | **232,465** | **8.20%** |

# Athelney Trust plc

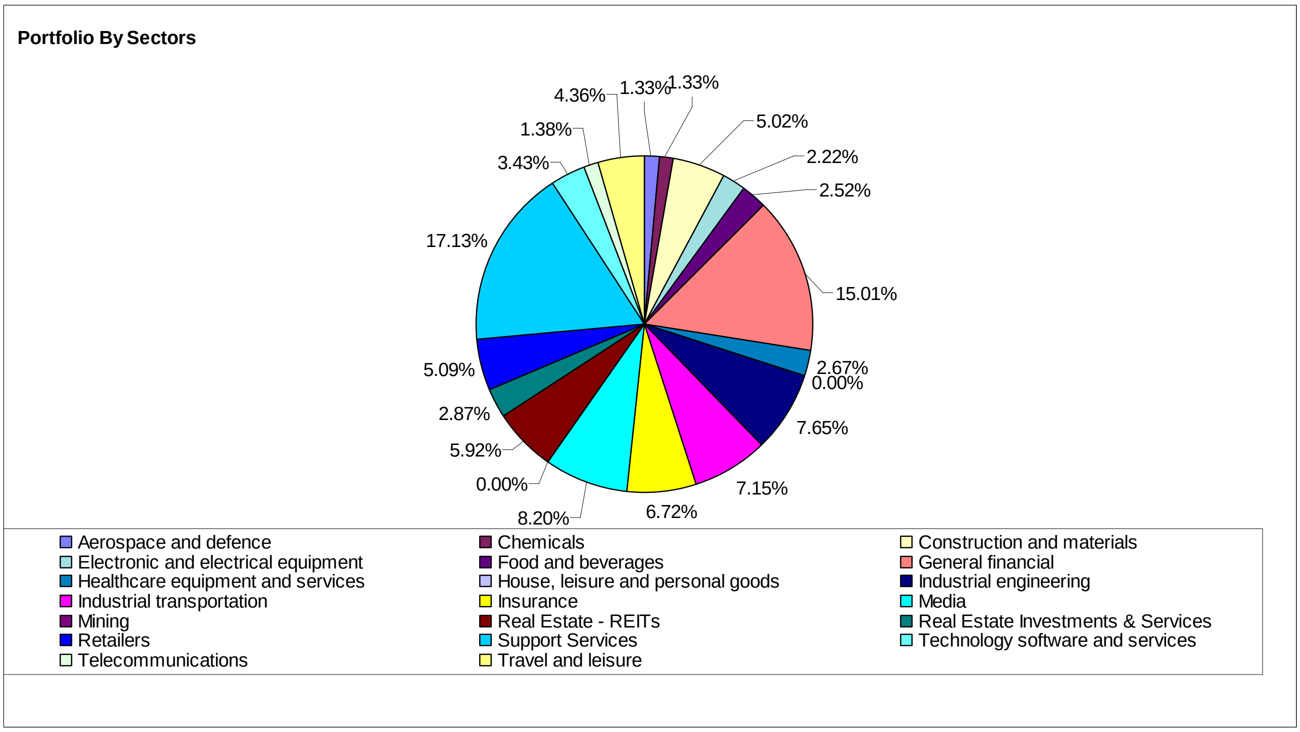
## INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2011 (CONTINUED)

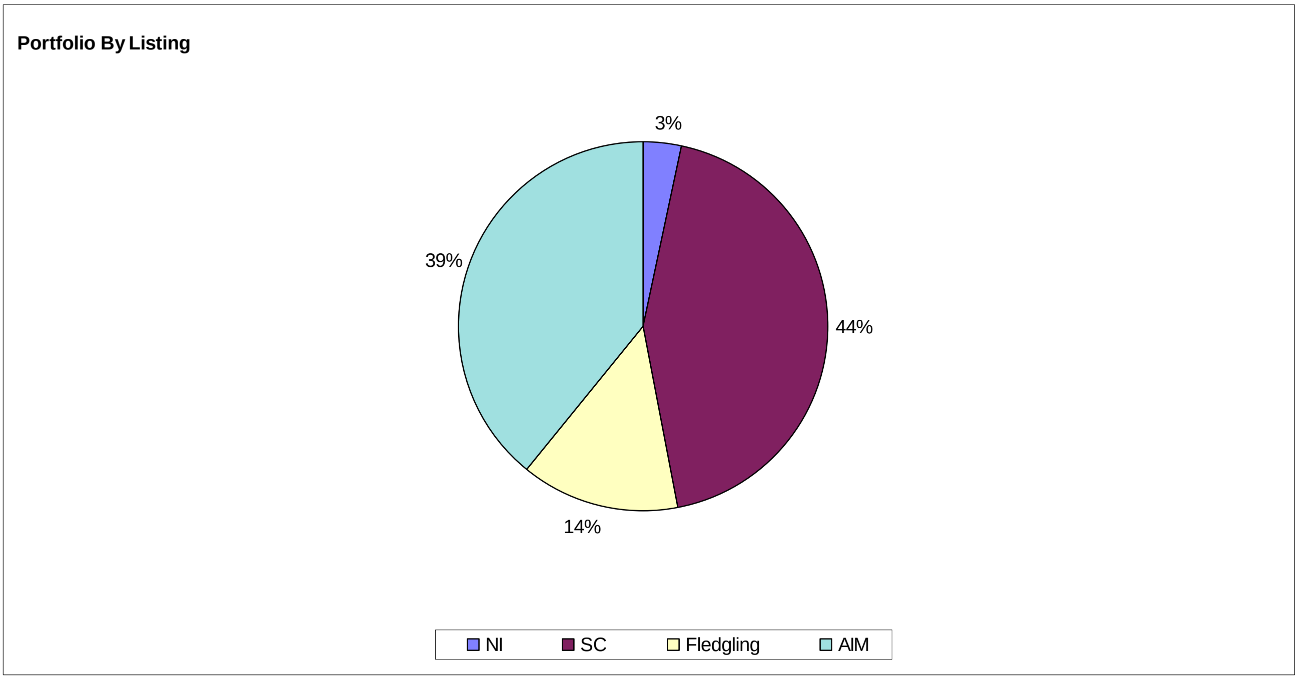
| | Stock | Holding | Value (£) | SECTOR £ | SECTOR % |
|---|---|---|---|---|---|
| **Real Estate - REITs** | Local Shopping REIT | 70,000 | 43,400 | | |
| | McKay Securities | 30,000 | 36,000 | | |
| | Mucklow Group | 12,500 | 38,781 | | |
| | Town Centre Securities | 27,500 | 49,500 | **167,681** | **5.92%** |
| **Real Estate - Real Estate Investments & Services** | Mountview Estates | 1,500 | 65,625 | | |
| | Smart (J) & Co. | 4,000 | 15,600 | **81,225** | **2.87%** |
| **Retailers** | H & T Group | 17,000 | 58,650 | | |
| | Stanley Gibbons | 47,500 | 85,500 | **144,150** | **5.09%** |
| **Support services** | Begbies Traynor | 60,000 | 25,350 | | |
| | Brulines | 32,500 | 33,150 | | |
| | Interior Services Group | 30,000 | 60,000 | | |
| | Latham (James) | 14,000 | 36,120 | | |
| | Macfarlane Group | 200,000 | 53,000 | | |
| | Matchtech | 22,500 | 47,250 | | |
| | Morson Group | 30,000 | 29,400 | | |
| | Nationwide Accident Repair | 30,000 | 28,800 | | |
| | Paypoint | 11,000 | 56,045 | | |
| | RWS Holdings | 7,500 | 32,925 | | |
| | Smiths News | 25,000 | 22,000 | | |
| | VP | 25,000 | 61,375 | **485,415** | **17.13%** |
| **Technology software and services** | Group NBT | 12,000 | 51,600 | | |
| | Phoenix IT | 20,000 | 45,657 | **97,257** | **3.43%** |
| **Telecommunications** | KCOM Group | 50,000 | 39,000 | **39,000** | **1.38%** |
| **Travel and leisure** | Air Partner | 7,000 | 32,200 | | |
| | Cineworld | 30,000 | 60,825 | | |
| | GVC Holdings | 30,000 | 30,900 | **123,925** | **4.37%** |

| | | | |
|---|---|---|---|
| **Portfolio Value** | | **£ 2,834,353** | **100.00%** |
| **Net Current Assets** | | **£ 34,205** | |
| **TOTAL VALUE** | | **£ 2,868,558** | |
| **Shares in issue** | | **1,983,081** | |
| Unaudited NAV | **144.7p** | | |

# Athelney Trust plc

## INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2011 (CONTINUED)



# Athelney Trust plc

## HALF YEARLY INCOME STATEMENT
## (INCORPORATING THE REVENUE ACCOUNT)

| | **Unaudited 6 months ended 30 June 2011** | | | **Unaudited 6 months ended 30 June 2010** | | | ***Audited Year ended 31 December 2010*** |
|---|---|---|---|---|---|---|---|
| | **Revenue** | **Capital** | **Total** | **Revenue** | **Capital** | **Total** | ***Total*** |
| | **£** | **£** | **£** | **£** | **£** | **£** | **£** |
| Profits/ (losses) on investments held at fair value | - | 162,196 | 162,196 | - | (18,597) | (18,597) | *411,470* |
| Income from investments | 71,695 | - | 71,695 | 73,199 | - | 73,199 | *142,303* |
| Investment Management expenses | (2,850) | (26,286) | (29,136) | (2,870) | (26,265) | (29,135) | *(58,535)* |
| Other expenses | (13,628) | (21,919) | (35,547) | (14,119) | (22,852) | (36,971) | *(67,796)* |
| **Net return/ (loss) on ordinary activities before taxation** | 55,217 | 113,991 | 169,208 | 56,210 | (67,714) | (11,504) | *427,442* |
| Taxation | - | - | - | - | - | - | - |
| **Net return/ (loss) on ordinary activities after taxation** | 55,217 | 113,991 | 169,208 | 56,210 | (67,714) | (11,504) | *427,442* |
| **Dividends Paid:** | | | | | | | |
| Dividend | (97,171) | - | (97,171) | (85,633) | - | (85,633) | *(85,633)* |
| **Transferred to reserves** | (41,954) | 113,991 | 72,037 | (29,423) | (67,714) | (97,137) | *341,809* |
| **Return per ordinary share** | 2.8p | 5.7p | 8.5p | 3.0p | (3.6p) | (0.6p) | *22.2p* |

The total column of this statement is the profit and loss account for the Company.
All revenue and capital items in the above statement derive from continuing operations.
No operations were acquired or discontinued during the above financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above Statement.

# Athelney Trust plc

## HALF-YEARLY RECONCILIATION OF SHAREHOLDERS' FUNDS

**For the Six Months Ended 30 June 2011 (Unaudited)**

| | Called-up Share Capital £ | Share Premium £ | Capital reserve realised £ | Capital reserve unrealised £ | Revenue reserve £ | Total Shareholders' Funds £ |
|---|---|---|---|---|---|---|
| Balance at 1 January 2011 | 495,770 | 545,281 | 620,251 | 951,712 | 203,148 | 2,816,162 |
| Issue of ordinary shares | | | | | | |
| Net gains on realisation of investments | | | 162,196 | | | 162,196 |
| Decrease in unrealised appreciation | | | | (19,641) | | (19,641) |
| Expenses allocated to capital | | | (48,205) | | | (48,205) |
| Adjustment to opening balance | | | (23,568) | 23,568 | | - |
| Profit for the period | | | | | 55,217 | 55,217 |
| Dividend paid in year | | | | | (97,171) | (97,171) |
| **Shareholders' Funds at 30 June 2011** | 495,770 | 545,281 | 710,674 | 955,639 | 161,194 | 2,868,558 |

**For the Six Months Ended 30 June 2010 (Unaudited)**

| | Called-up Share Capital £ | Share Premium £ | Capital reserve realised £ | Capital reserve unrealised £ | Revenue reserve £ | Total Shareholders' Funds £ |
|---|---|---|---|---|---|---|
| Balance at 1 January 2010 | 450,700 | 405,605 | 620,562 | 633,701 | 179,039 | 2,289,607 |
| Issue of ordinary shares | 45,070 | 139,676 | - | - | - | 184,746 |
| Net gains on realisation of investments | - | - | 20,816 | - | - | 20,816 |
| Decrease in unrealised appreciation | - | - | - | (39,413) | - | (39,413) |
| Expenses allocated to capital | - | - | (49,117) | - | - | (49,117) |
| Taxation | - | - | - | - | - | - |
| Profit for the year | - | - | - | - | 56,210 | 56,210 |
| Dividend paid in year | - | - | - | - | (85,633) | (85,633) |
| **Shareholders' Funds at 30 June 2010** | 495,770 | 545,281 | 592,261 | 594,288 | 149,616 | 2,377,216 |

**For the Year Ended 31 December 2010 (Audited)**

| | Called-up Share Capital £ | Share Premium £ | Capital reserve realised £ | Capital reserve unrealised £ | Revenue reserve £ | Total Shareholders' Funds £ |
|---|---|---|---|---|---|---|
| Balance at 1 January 2010 | 450,700 | 405,605 | 620,562 | 633,701 | 179,039 | 2,289,607 |
| Net gains on realisation of investments | | | 93,459 | | | 93,459 |
| Increase in unrealised appreciation | | | | 318,011 | | 318,011 |
| Expenses allocated to capital | | | (93,770) | | | (93,770) |
| Issue of ordinary shares | 45,070 | 139,676 | | | | 184,746 |
| Profit for the year | | | | | 109,742 | 109,742 |
| Dividend paid in year | | | | | (85,633) | (85,633) |
| **Shareholders' Funds at 31 December 2010** | 495,770 | 545,281 | 620,251 | 951,712 | 203,148 | 2,816,162 |

# Athelney Trust plc

## HALF YEARLY BALANCE SHEET AS AT 30 JUNE 2011

| | Unaudited 30 June 2011 | Unaudited 30 June 2010 | *Audited 31 December 2010* |
|---|---|---|---|
| | **£** | **£** | **£** |
| **Fixed assets** | | | |
| Investments held at fair value through profit and loss account | 2,834,353 | 2,321,340 | *2,766,686* |
| **Current assets** | | | |
| Debtors | 31,530 | 57,040 | *32,245* |
| Cash at bank and in hand | 19,905 | 15,539 | *32,241* |
| | 51,435 | 72,579 | *64,486* |
| **Creditors: amounts falling due within one year** | (17,230) | (16,703) | *(15,010)* |
| **Net current assets** | 34,205 | 55,876 | *49,476* |
| **Total assets less current liabilities** | 2,868,558 | 2,377,216 | *2,816,162* |
| **Provisions for liabilities and charges** | - | - | - |
| **Net assets** | 2,868,558 | 2,377,216 | *2,816,162* |
| **Capital and reserves** | | | |
| Called up share capital | 495,770 | 495,770 | *495,770* |
| Share premium account | 545,281 | 545,281 | *545,281* |
| Other reserves (non distributable) | | | |
| Capital reserve - realised | 710,674 | 592,261 | *620,251* |
| Capital reserve - unrealised | 955,639 | 594,288 | *951,712* |
| Revenue reserve | 161,194 | 149,616 | *203,148* |
| **Shareholders' funds - all equity** | 2,868,558 | 2,377,216 | *2,816,162* |
| **Net Asset Value per share** | 144.7p | 119.9p | *142p* |
| **Number of shares in issue** | 1,983,081 | 1,983,081 | *1,983,081* |

# Athelney Trust plc

## HALF YEARLY CASHFLOW STATEMENT FOR THE SIX MONTHS ENDING 30 JUNE 2011

| | Unaudited 6 months ended 30 June 2011 | | Unaudited 6 months ended 30 June 2010 | | *Audited Year ended 31 December 2010* |
|---|---|---|---|---|---|
| | **£** | **£** | **£** | **£** | **£** |
| **Net cash inflow/ (outflow) from operating activities** | | 11,096 | | 45,535 | *77,516* |
| **Taxation** | | | | | |
| Corporation tax paid | | - | | - | - |
| **Financial Investment** | | | | | |
| Purchases of investments | (264,091) | | (227,963) | | *(433,724)* |
| Sales of investments | 337,830 | | 72,533 | | *263,015* |
| **Net cash inflow/ (outflow) from Financial Investment** | | 73,739 | | (155,430) | *(170,709)* |
| **Dividends paid** | | (97,171) | | (85,633) | *(85,633)* |
| **Financing** | | | | | |
| Issue of ordinary share capital | | | | 184,746 | *216,605* |
| Share issue costs | | | | | *(31,859)* |
| **Increase/ (decrease) in cash in the year** | | (12,336) | | (10,782) | *5,920* |

| **Reconciliation of operating net revenue to net cash inflow/ (outflow) from operating activities** | **£** | **£** | **£** |
|---|---|---|---|
| Revenue return on ordinary activities before taxation | 56,366 | 56,210 | *109,742* |
| (Increase)/ decrease in debtors | 715 | 39,048 | *63,843* |
| (Decrease)/ increase in creditors | 2,220 | (606) | *(2,299)* |
| Investment management expenses charged to capital | (26,286) | (26,265) | *(52,752)* |
| Other expenses charged to capital | (21,919) | (22,852) | *(41,018)* |
| | 11,096 | 45,535 | *77,516* |

**Reconciliation of net cashflow to movement in net fund**

| | Net funds at 31/12/10 £ | Cashflow £ | Net fund at 30/6/11 £ |
|---|---|---|---|
| Cash at bank and in hand | 32,241 | (12,336) | 19,905 |

# Athelney Trust plc

## NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

1. The financial information contained in these Half Yearly Financial Statements comprises non-statutory accounts as defined in Sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 31 December 2010 has been extracted from the statutory accounts which have been filed with the Registrar of Companies and which contain an unqualified Auditors' Report and do not contain a statement under Sections 498(2) or 498(3) of the Companies Act 2006.

2. The condensed financial statements for the period ended 30 June 2011 have been prepared on the basis of the same accounting policies adopted as set out in the Annual Report for the year ended 31 December 2010 and in accordance with the ASB's Statement "Half Yearly Financial Reports". They have not been audited or reviewed by the auditors pursuant to the Auditing Practices Board Guidance on "Review of Interim Financial Information"

3. To the best of our knowledge and belief there are no related party transactions within the meaning required by the Disclosure and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

4. The calculation of earnings per share for the six months ended 30 June 2011 is based on the attributable return on ordinary activities after taxation and on the weighted average number of shares in issue during the period.

| | **6 months ended 30 June 2011 (Unaudited)** | | | **6 months ended 30 June 2010 (Unaudited)** | | |
|---|---|---|---|---|---|---|
| | **Revenue £** | **Capital £** | **Total £** | **Revenue £** | **Capital £** | **Total £** |
| Attributable return on ordinary activities after taxation | 55,217 | 113,991 | 169,208 | 56,210 | (67,714) | (11,504) |
| Weighted average number of shares | | 1,983,081 | | | 1,862,895 | |
| Return per ordinary share | 2.8p | 5.7p | 8.5p | 3.0p | (3.6)p | (0.6)p |

| | **12 months ended 31 December 2010 (Audited)** | | |
|---|---|---|---|
| | **Revenue £** | **Capital £** | **Total £** |
| Attributable return on ordinary activities after taxation | 109,742 | 317,700 | 427,442 |
| Weighted average number of shares | | 1,922,988 | |
| Return per ordinary share | 5.7p | 16.5p | 22.2p |

5. Net Asset Value (NAV) per share is calculated by dividing shareholders funds by the weighted average number of shares in issue at 30 June 2011 of 1,983,081 (30 June 2010: 1,862,895 and 31 December 2010: 1,922,988).

6. Copies of the Half Yearly Financial Statements for the six months ended 30 June 2011 will be available on the Company's website www.athelneytrust.co.uk as soon as practicable.

# Athelney Trust plc

## OFFICERS AND FINANCIAL ADVISERS

| | | |
|---|---|---|
| Directors: | H.B. Deschampsneufs (Chairman)<br>R.G. Boyle (Managing Director)<br>D.A. Horner<br>J.L. Addison<br>E.C. Pohl (Alternate Director) | Email: hugo@athelneytrust.co.uk<br>Email: robin@athelneytrust.co.uk<br>Email: dah@chelvertonam.com<br>Email: jladdison@bigpond.com<br>Email: manny.pohl@hyperionam.com.au |
| Secretary: | J. Girdlestone<br>Waterside Court<br>Falmouth Road<br>Penryn<br>Cornwall, TR10 8AW | Email: john@athelneytrust.co.uk<br>Tel: 01326 378 288 |
| Registered Office: | Waterside Court<br>Falmouth Road<br>Penryn<br>Cornwall, TR10 8AW | Website: www.athelneytrust.co.uk<br>Email: info@athelneytrust.co.uk<br>Tel: 01326 378 288 |
| Company Number: | 2933559<br>(Registered in England) | |
| Solicitor: | McClure Naismith<br>49 Queen Street<br>Edinburgh<br>EH12 3NH | Email: awilliamson@McClureNaismith.com<br>Tel: 0131 272 8378 |
| Stockbroker: | Speirs & Jeffrey Limited<br>36 Renfield Street<br>Glasgow, G2 1NA | Email: graeme.dickie@speirsjeffrey.co.uk<br>Tel: 0141 248 4311 |
| Auditors: | Clement Keys<br>39/40 Calthorpe Road<br>Edgbaston<br>Birmingham, B15 1TS | Email: simon.atkins@clementkeys.co.uk<br>Tel: 0121 456 4456 |
| Banker: | HSBC<br>Market Street<br>Falmouth<br>Cornwall TR11 3AA | |
| Registrar: | Share Registrars Limited<br>Craven House<br>West Street<br>Farnham<br>Surrey, GU9 7EN | Email: enquiries@shareregistrars.uk.com<br>Tel: 01252 821 390 |
| Public Relations Consultants: | City Road Communications Limited<br>42-44 Carter Lane<br>London, EC4V 5EA | Email: cityroad@cityroad.uk.com<br>Tel: 0207 248 8010 |